Experts are warning pension holder to check out the terms of their policy by John Harry

Article published on March 14th 2012 | Loans

Through a legal entitlement hidden in their policy's small print, Private sector pension holders could double their annual payouts. Pension holders have been advised by various experts to re-examine the terms of their original policy documents before agreeing rates for their annuity. Heavy fall in interest rates and soaring life expectancy have forced pension providers to slash annual payouts to around 5.9 per cent of a total pension pot. However according to research guaranteed Annuity Rates given with policies issued before 1988 hovered between 10 and 12 per cent?

It indicates that someone with a guaranteed return set in the Eighties could get an annual income of Â£11,000 from a Â£100,000 pension pot which is quite a good amount to get. According to the reports of The Daily Telegraph the overwhelming majority of personal pension plans sold before July 1 1988 included guaranteed annuity rates (GARs), which can be 100 per cent higher than current market annuity rates that have fallen to record lows.

Such rates determine your level of income in retirement. Phoenix has half a million of these policyholders, including savers with Pearl pension plans. Aviva has 80,000 via its old Provident Mutual, Norwich Union, Commercial Union and General Accident brands. Scottish Widows has 70,000, Scottish Life 47,000 and the Pru 60,000. The huge numbers of customers are completely in the dark over these guarantees, largely because companies do not tell them that they exist. Which is really not good on their part as companies are trying to reap more profit and give less? Are you in need of funds then simply apply with instant personal loans @ http://www.instantcashpersonalloans.co.uk/ and get the cash in hassle free manner with easy repayment options.

As per the director general of Saga the pension providers are unlikely to voluntarily ensure policy holders are getting the best deal. According to Annuity expert Billy Burrows of the Better Retirement Group most customers are completely unaware that they have these guarantees. Even where insurers do provide information, it is only at retirement, and is not always crystal clear. It is often clouded in confusing language, which makes it difficult for customers to understand. Before 1988 when personal pensions were not launched those who wanted to save for retirement in a private pension, because they did not have access to a company scheme, took out a â€œretirement annuity contractâ€•, also known as a Section 226 policy. Now most of these contracts included a guaranteed annuity rate.

Article Source:
http://www.articleside.com/loans-articles/experts-are-warning-pension-holder-to-check-out-the-terms-of-their-policy.htm - Article Side

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Article Keywords:
Pension, finance, policy

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